

**TECHNOLOGY SERVICES BOARD
OFFICE OF TECHNOLOGY SERVICES**

PUBLIC MEETING MINUTES

June 30, 2010

The Technology Services Board (TSB) met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 10:00 a.m., in the Byron Sher Auditorium at the California Environmental Protection Agency building, located at 1001 "I" Street, Sacramento, California 95814.

1. Call to Order

Chairperson Teri Takai called the meeting to order at 10:04 a.m.

Roll call was completed:

1. Teri Takai, State Chief Information Officer (present)
2. Ana J. Matosantos, Director, Department of Finance
(Designee Fred Klass – present)
3. John Chiang, State Controller
(Designee Jim Lombard – present)
4. A. G. Kawamura, Secretary, Department of Food and Agriculture
(Designee Chris Cruz – present)

5. Dale E. Bonner, Secretary, Business, Transportation and Housing Agency
(Designee Ann Barsotti – present)
6. Linda Adams, Secretary, California Environmental Protection Agency
(Designee Eric Jarvis – absent)
7. Kim Belshé, Secretary, California Health and Human Services Agency
(Designee Crystal Cooper – present)
8. Victoria Bradshaw, Secretary, Labor and Workforce Development Agency
(Designee Carlos Quant – present)
9. Lester Snow, Secretary, Natural Resources Agency
(Designee Patrick Kemp – present)
10. Bill Leonard, Secretary, State and Consumer Services Agency
(Designee Andrew Armani – present)
11. Roger Brautigan, Secretary, Department of Veterans Affairs
(Designee Don Richards – present)
12. Matthew Cate, Secretary, California Department of Corrections and
Rehabilitation
(Designee Brett H. Morgan – present)
13. Matthew R. Bettenhausen, Secretary, California Emergency Management
Agency
(Designee David Zocchetti – present)

2. Approve March 10, 2010 Meeting Minutes – Action Item

There was a motion to adopt the March 10, 2010, TSB meeting minutes as presented; the motion was seconded, and it was unanimously approved.

3. Chairperson's Report

A. State IT Update – Information Item

Chairperson Takai began the meeting by announcing personnel changes at the Office of the State Chief Information Officer (OCIO). She stated that P.K. Agarwal, the former Office of Technology Services (OTech) Director, retired from state service and accepted a position in a non-profit organization. As a result, Adrian Farley assumed the role of State Chief Technology Officer and Acting Director of OTech. In addition, Mike Locatis, former Colorado Chief Information Officer (CIO), assumed Adrian's previous role as the Chief Deputy CIO. Mr. Locatis will lead information technology (IT) consolidation and enterprise architecture efforts for California.

Chairperson Takai also stated that Mark Weatherford accepted a position at the national level and will be leaving the role of Chief Information Security Officer (CISO). The CISO position will be filled on a temporary basis until a permanent replacement is selected.

Chairperson Takai concluded her presentation by providing a status update of the OCIO reorganization and Executive Order S-03-10. She stated that the Agency CIO community is very active in leading various statewide IT consolidation efforts and that a number of project milestones were accomplished.

4. Director's Report

A. Performance Improvement Program – Information Item

Adrian Farley, OTech Acting Director, provided an overview of the Performance Improvement Program and described the drivers, objectives and approach for the

program. He explained that the program will determine baseline and benchmark data for services and define metrics for service availability, cost, productivity, and utilization. The ultimate objective of the program is to develop a culture of continuous improvement. Further discussion took place regarding the benchmarking process, which will focus on specific defined areas of services, such as Telecommunications, E-mail and Windows Application Hosting.

B. Cannery Relocation Update – Information Item

Chairperson Takai congratulated the Cannery Relocation team on their major accomplishment in moving the last OTech mainframe from the Cannery Campus to the Vacaville site earlier this month. Acting Director Farley then provided an overview of equipment and applications that have been moved over the last 18-month period. He explained that this effort freed up 75,000 square feet of space at the Cannery Campus. Crystal Cooper, Health and Human Services Agency, commented that this effort was a testament on what can be accomplished through teamwork.

Acting Director Farley also provided an update on the move of Cannery Campus staff to a newly selected building near the Gold Camp facility in Rancho Cordova. It is planned that staff will move by the end of 2010.

C. Training & Event Center Financial Update – Information Item

Acting Director Farley provided an update of the Training & Event Center (TEC) financial status. For Fiscal Year (FY) 2009/2010, the projected overage was reduced from an earlier estimate of \$454,000 to \$317,000. The reduction was primarily due to enrollment increases in the eLearning program and other in-house training. OTech anticipates that in FY 2010/2011, the TEC will break even through

relocation and downsizing of facilities, alignment of training programs, and implementation of a more “direct” cost recovery method. Chairperson Takai thanked the TSB for its forbearance and support while the TEC addresses its financial issues.

5. Services and Finance Committee Report

A. OTech Rate Package for Fiscal Year 2010/2011 – Action Item

Acting Director Farley stated that the FY 2010/2011 OTech Rate Package originally forecasted an over collection of \$14 million for FY 2009/2010 and a \$5.8 million over collection for FY 2010/2011. Melissa Matsuura, OCIO Deputy Director, Administration, then presented the proposed rate package, effective July 1, 2010, which includes the following:

- Rate reduction for Mainframe zAAP CPU and Windows Server Memory
- Realignment of rates for AIX Application Hosting and Disaster Recovery for Open Systems
- New service options for Hosted E-mail Service

Ms. Matsuura then introduced Steve Rushing, OTech Deputy Director, Statewide Telecommunications Network Division, as the presenter of the California Government Enterprise Network (CGEN) managed services project. Mr. Rushing provided an overview of the existing CSGNet network and service model and the proposed CGEN managed service model. The key change is that certain areas of the network will migrate from an OTech-managed infrastructure (CSGNet), to a vendor-managed infrastructure (CGEN), changing the role of OTech from service provider to service manager. He stated that the migrations are planned to be completed in 2011.

Ms. Matsuura then explained the CGEN rate components and outlined the proposed rates for both current CSGNet and non-CSGNet customers. Although the rates for current CSGNet customers includes a CSGNet retirement fee, it is important to note that the faster customers migrate off CSGNet, the quicker this retirement fee can be eliminated.

The proposed CGEN rates will result in an overall monthly decrease in network costs for all customers and an annual cost savings of \$6.7 million upon full migration to the CGEN.

Using the proposed rate package for FY 2010/2011, Ms. Matsuura presented a revised financial forecast, which includes an under collection of \$1 million. Acting Director Farley then asked the meeting attendees if they had questions, and a general discussion ensued.

Ms. Matsuura then introduced Helen Woodman, IT Consulting Unit Manager at the Department of Finance (DOF), to present the DOF recommendation report of the proposed OTech rates. Ms. Woodman stated that DOF recommends that the TSB direct OTech to provide the following:

- An overview of the terms of the contracts negotiated with the CGEN vendors.
- An update at each TSB meeting on the status of the CGEN migration.
- An update at each TSB meeting on the status of the Hosted E-Mail Service.

Ms. Woodman stated that DOF had no major concerns with the proposed rates and recommended that the Board approve the rate package. Fred Klass, DOF, then formally requested that OTech provide the regular updates as recommended and congratulated OTech staff on their continued efforts to align rates with the actual

level of provided service. Chairperson Takai and the Board then continued with discussion of the proposed rates.

Chairperson Takai asked for a motion to approve the proposed rate package, the motion was seconded, and it was unanimously approved.

6. Miscellaneous Non-Discussion Items

A. Services and Finance Committee Meeting Minutes

Chairperson Takai asked for changes to the Services and Finance Committee minutes; there were none.

7. New Agenda Items

There were no new agenda items.

8. Public Comment

There was no public comment given.

9. Meeting Adjournment

A motion was made to adjourn; the motion was seconded, and the meeting was adjourned at approximately 10:58 a.m.